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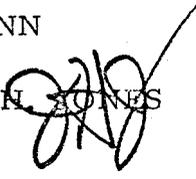
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THE WHITE HOUSE

WASHINGTON

May 9, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JIM LYNN  
FROM: JERRY H. JONES 

The attached letter was returned in the President's outbox with the following notation to you:

-- Given to me by Cong. Stagers.

Please follow-up with the appropriate action.

Thank you.

cc: Don Rumsfeld  
Max Friedersdorf

THE WHITE HOUSE  
WASHINGTON

Jim Ryan

Kevin to see by

Cong. Stappo.

Congress of the United States  
House of Representatives  
Washington, D.C. 20515

May 9, 1975

The Honorable  
Gerald E. Ford  
President  
The White House  
Washington, D. C.

Dear Mr. President:

The time has come for this Nation to put to full use the vast untapped potential of telecommunications technology for both social and economic good. Great national benefits are now within reach in return for a comparatively modest commitment on the part of the Federal Government. Although they would certainly be of a different nature, these benefits would be fully comparable to those realized in connection with our much more costly investments in biomedical research and the space program during the past decade. Like the biomedical and space areas, private capital cannot be anticipated at a sufficient level to do the job.

In the 1950's we began to establish a great system of motor highways so that our people and our goods could move with the ease necessary to a dynamic economy. In the mid 1970's an equally great system of electronic highways is needed to move information with the same ease. This country runs on the fast transfer of information. Today it is already essential to passenger and freight transportation, to bank clearings, to buying and selling, and to entertainment and news. Tomorrow it will become equally essential to teaching our children, to healing our sick, and to governing our cities and towns. This network, moreover, is vital to solving our pressing national problems because of its potential for conserving energy, increasing productivity, ameliorating our present unemployment situation, protecting our environment, and improving our competitive position in international trade.

I understand that most of the technology required for a high capacity interactive broadband communication system that is capable of carrying television signals in both directions, has been available for some time, but that recent developments in circuit techniques have reduced the costs for such complex systems to a point where implementation has become practical. If we in this country do not realize the revolutionary potential of this technology, others will.

*orig. to Jim Lynn*

The trends are clear everywhere we look. To the North in Canada, a Department of Communications has been established to promote this industry. They have already outstripped us in the operation and use of a domestic satellite system. To the West, the Japanese have developed plans for an information oriented society and have started to implement them. Their moves in the computer and communications field bear this out. To the East, in Europe, the Germans are planning for the development of their communications plant for the rest of the century.

The French have recently announced the overhaul of their telephone plant and it has been reported that they will replace their conventional copper wires with optical fibers capable of carrying over 200 television signals simultaneously to each subscriber. Even in the Middle East, the Iranians and Saudi Arabians are considering sophisticated and advanced telecommunications systems.

Concerted efforts in Europe and Japan to obtain more of the U. S. market in telecommunications equipment are now making headway. Although in the past we in this country held undisputed leadership in the production of high technology products, we have now become net importers of telecommunications equipment.

Apart from the beneficial effect such technology can have on our energy, environmental, and economic problems, it can also transform our society by providing a totally new kind of mass communications to improve the lives of all our people. This would not be mass communications as we have known it in the past, with the public playing a passive spectator role, but a two-way interactive system where citizens will have direct access to the views of their fellow citizens, and to entertainment, news, and educational sources of every sort.

A citizen would no longer be simply a listener or a viewer; he would be able to make his own views effectively known to his fellow citizens and his Government. We must develop such a participatory system if we are to grow and survive as a great Nation.

The 1974 Report to the President of the Cabinet Committee on Cable Communications recommended a federally supported effort by all levels of Government and industry to solve the problem of providing services in a new way by a new system. While a comprehensive approach was recommended, current Federal efforts are devoting large sums of money to piecemeal and fragmented efforts for specific services.

Previous studies at the highest levels of the Executive Branch have advised that the technical forces of the Government be brought together with fragmented communication efforts to produce an entity for promotion of the industry and fostering new developments needed to keep our country moving forward.

What is needed, in my view, is a specific entity within the Government whose mission it would be to promote this technology in the interests of our domestic and international economic life. This entity should be given the status, the resources, and the authority to produce significant results in a reasonable

span of time. With scrupulous attention to the greatest possible leverage of Federal-to-private sector spending, this entity would:

Search out all applications to their full potential.

Find and remove obstacles to the provision of all useful services over present plant -- obstacles that involve aggregation of resources, regulatory constraints, manpower shortages, institutional barriers, standardization, training, and the like.

Find and remove obstacles to the creation of new plant -- obstacles that involve technical feasibility, economic viability, coverage of risk, and the like.

Stimulate research, experimentation, and demonstration, funding it where otherwise unavailable.

I am sure that Secretary Morton, with his dual responsibility to restore a dynamic economy and to develop a national energy program could use the Office of Telecommunications in his Department to develop and carry out a plan to see that such a system is developed with appropriate roles for industry, the public, and their Government.

Let us enter into the third hundred years of this country by providing the world leadership into the Information Age for the benefit of all.

In view of the need for a focus for our telecommunications research, the pending proposal to abolish the Office of Telecommunications as a separate entity within the Department of Commerce by merging it with the National Bureau of Standards seems contradictory to what we should be doing. In my view, rather than eliminating what appears to be the principal focus of telecommunications applications in the Government, we should be expanding its role and increasing its resources.

To sum up, broadband telecommunications technology, if it is allowed to make its full contribution, can transform our society. It can, in my view, reduce to manageable levels some of our most threatening national problems, including the energy crisis, threats to our environment, and our need for new industries, new jobs, and expanded overseas commerce. This industry, according to estimates, would contribute \$20 billion to our Gross National Product.

We are not going to start making real progress in this vital undertaking until we designate an entity within the Federal Government whose exclusive mandate will be to advance the utilization of telecommunications technology for the benefit of all our people. As a start, I would suggest that we preserve the present Office of Telecommunications and explore ways in which to let it take on the leadership role that is needed.

The Honorable  
Gerald E. Ford

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May 9, 1974

I respectfully submit that this effort is overdue, and will not be possible without the exercise of the unique leadership role which only the President can provide. I would suggest that top priority should now be attached to the devising of legislation which will set up the governmental unit I have described, and give it the authority and the means to do the work that must be done.

You may be sure that I will devote my best efforts in the Congress to insure the success of such an effort -- the results will be of lasting benefit to the people of our Nation.

I look forward to your views on this matter.

Thanking you and with best wishes and kind personal regards, I am

Sincerely yours,

  
HARLEY O. STAGGERS